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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

NATASHA ALI and AMANDA PERKINS
individually and on behalf of all others
similarly situated,

Plaintiffs,

-vs.-

MINDVALLEY, LLC,

Defendants.

CASE NO. 3:22-cv-08578

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Plaintiffs Natasha Ali and Amanda Perkins (“Plaintiffs”, or “Ms. Ali” and/or “Ms. Perkins”) bring this action individually and on behalf of all others similarly situated against Defendant Mindvalley (“Defendant”). Plaintiffs make the following allegations pursuant to the investigation of their counsel and based upon information and belief, except as to allegations specifically pertaining to themselves and their counsel, which are based on personal knowledge.

I. INTRODUCTION

1. This is a putative class action lawsuit against Defendant based on its failure to provide the requisite disclosures and authorizations required to be made to and obtained from California consumers under California’s Automatic Renewal Law (“CA ARL”).

2. In addition, on a nationwide basis, Defendant has violated the Electronic Funds Transfer Act (“EFTA”) by uniformly and routinely initiating preauthorized electronic fund transfers taking money from the bank accounts of Plaintiffs and members of the Nationwide Class (defined below) without obtaining their written authorization for the transfers and by routinely failing to provide a copy of any such written authorization to Plaintiff and the Nationwide Class members from whose bank accounts Defendant took preauthorized electronic fund transfers for fees.

3. Founded in 2013, Mindvalley is a learning experience company that publishes ideas and teachings by authors in the subjects of personal growth, wellbeing, spirituality, productivity, mindfulness and more – and combines them with learning technology within engaged and supportive communities.

4. Through its Website, Defendant markets, advertises, and sells to consumers in California and throughout the United States.

5. Mindvalley offers a variety of payment plans, from its “free trial” to paying for its subscriptions via a monthly or annual subscription (collectively, the “Subscriptions”).

6. To sign up for one of Defendant’s Subscriptions through Mindvalley’s Website, customers must provide Defendant with their billing information and Defendant then automatically charges customers’ on monthly or yearly basis.

1 7. Plaintiffs’ allegations include that at the check-out screen customers were misled
2 into believing that they signed up for a free service only to incur an unexpected charge.

3 8. Defendant is also able to unilaterally charge its customers’ renewal fees without
4 their consent, as Defendant is in possession of its customers’ billing information.

5 9. The Federal Trade Commission (FTC) Act’s Section 5 is the primary federal statute
6 that governs the use of ARL provisions. The FTC’s guidance on negative option features advises
7 businesses to adhere to five fundamental principles for compliance. (See Negative Options – A
8 Report by the staff of the FTC’s Division of Enforcement attached hereto as Exhibit “1”). The five
9 principles are as follows:

10 **Principle 1.** Disclose material terms, including existence, total cost, third-party billing terms, and
11 how to cancel payment (See Id. at p.8);

12 **Principle 2.** Make disclosures visible by placing them in prominent locations (See Exhibit Id. at
p.7);

13 **Principle 3.** Disclose material terms of the offer to consumers before payment (See Id.);

14 **Principle 4.** Obtain consumers’ affirmative consent to the offer rather than relying on a
pre-checked box (See Exhibit “1”p.7); and

15 **Principle 5.** Avoid impeding the effective operation of promised cancellation procedures
16 (See Exhibit “1”p.7).

17 **CALIFORNIA AUTOMATED RENEWAL LAW**

18 10. Pursuant to the CA ARL, online retailers who offer automatically renewing
19 subscriptions to California consumers must: (a) obtain affirmative consent prior to the consumer’s
20 purchase.

21 11. It is generally accepted that a checkbox to agree next to the automatic renewal
22 clause may suffice.

1 12. However, the checkbox should not be “pre-checked” and if the consumer is also
2 agreeing to other terms and conditions of the purchase, that consent should be separate from the
3 automatic renewal consent;; (b) provide the complete auto-renewal terms in a clear and
4 conspicuous manner and in visual proximity to the request for consent prior to the purchase; (c)
5 provide an acknowledgement identifying an easy and efficient mechanism for consumers to cancel
6 their subscriptions; and (d) as of July 1, 2022, if the automatically renewing offer includes an
7 initial term that lasts for one year or longer, then the business must provide notice between
8 15 days and 45 days before the date of renewal.

9 13. Defendant has violated the CA ARL by: (i) failing to present the automatic renewal
10 offer terms in a clear and conspicuous manner and in visual proximity to the request for consent
11 to the offer before the subscription or purchasing agreement is fulfilled, in violation of Section
12 17602(a)(1); (ii) charging consumers’ Payment Method without first obtaining their affirmative
13 consent to the agreement containing the automatic renewal offer terms, in violation of Section
14 17602(a)(2); and (iii) failing to provide an acknowledgment that includes the automatic renewal
15 offer terms, cancellation policy, and information regarding how to cancel in a manner that is
16 capable of being retained by the consumer, in direct violation of Sections 17602(a)(3) and
17 17602(b). Cal. Bus. & Prof. Code §§ 17602(a)(1), (a)(2), (a)(3), (b).

18 14. As a result, the access to the programs granted to Plaintiffs and the Class under the
19 automatic renewal of continuous service agreements are deemed to be “unconditional gifts” under
20 the ARL. Cal. Bus. & Prof. Code § 17603.

21 15. Accordingly, Plaintiffs bring this action individually and on behalf of all California
22 purchasers of any of Defendant’s Subscription offerings who, within the applicable statute of
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1 terms associated with the subscription program or obtain Ms. Ali's and Ms. Perkins' affirmative
2 consent to those terms.

3 22. Further, after Ms. Ali and Ms. Perkins completed their initial order, Defendant sent
4 Ms. Ali and Ms. Perkins an acknowledgment email that failed to provide Ms. Ali and Ms. Perkins
5 with the complete automatic renewal terms that applied to Defendant's offer, a description of
6 Defendant's full cancellation policy, or information regarding how to cancel Ms. Ali's and Ms.
7 Perkins' Mindvalley subscriptions in a manner capable of being retained by them.

8 23. Ms. Ali and Ms. Perkins did not receive any other acknowledgment that contained
9 the required information.

10 24. After Ms. Ali first signed up for her programs, Defendant automatically renewed
11 Ms. Ali's Subscription and charged Ms. Ali's Payment Methods the full standard monthly rate of
12 \$150.00 per month.

13 25. Thereafter, Defendant continued to automatically renew Ms. Ali's Subscriptions on
14 a monthly basis, charging her Payment Method every month from 2020 to February 2022.

15 26. Ultimately, Ms. Ali called Defendant to inquire as to why she continued to get
16 charged a monthly subscription that she did not authorize and requested a refund.

17 27. However, Defendant denied Ms. Ali's refund request.

18 28. After Ms. Perkins first signed up for her programs, Defendant automatically
19 renewed Ms. Perkins' Subscription and charged Perkins' Payment Methods the full standard
20 monthly rate of \$50.00 per month.

21 29. Thereafter, Defendant continued to automatically renew Ms. Perkins' Subscriptions
22 on a monthly basis, charging her Payment Method every month from 2018 to November 2022.

1 30. Ultimately, Ms. Perkins called Defendant to inquire as to why she continued to get
2 charged a monthly subscription that she did not authorize and requested a refund.

3 31. However, Defendant denied Ms. Perkins' refund request.

4 32. Plaintiffs each reasonably read and relied upon the disclosed terms of their purchase
5 and/or subscription and further relied on the absence or omission of language concerning future
6 payments or automatic renewals. Such representations and omissions were material to their
7 decision to transact with Defendant. Plaintiffs would transact with Defendant in the future if they
8 could rely on the accuracy of Defendant's statements regarding the terms of purchase or
9 subscription for Mindvalley products.

10 33. Defendant's inadequate disclosures and refusal to issue a refund are contrary to the
11 ARL, which deems products provided in violation of the statute to be a gift to consumers. Cal.
12 Bus. & Prof. Code § 17603.

13 34. Had Defendant complied with the ARL, Ms. Ali and Ms. Perkins would have been
14 able to read and review the pertinent automatic renewal terms prior to enrollment and purchase,
15 and would have cancelled their Subscriptions earlier, i.e., prior to the expiration of the initial free
16 trial period.

17 35. As a direct result of Defendant's violations of the ARL, Ms. Ali suffered, and
18 continues to suffer, economic injury.

19 36. Defendant Mindvalley, LLC ("Mindvalley" or "Defendant") is an eLearning
20 platform founded in 2003.

21 37. Mindvalley's principal place of business is located in Kuala Lumpur, Malaysia.

22 38. Defendant is a learning experience company that publishes ideas and teachings by
23 the authors in "personal growth, wellbeing, spirituality, productivity, mindfulness and more – and
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1 combines them with cutting-edge sophisticated learning technology within engaged and supportive
2 communities.”

3 39. Defendant also promotes, advertises, and/or markets its automatic renewing
4 subscription plans which provides the end users with access to the online courses.

5 40. Defendant sells Subscriptions in California and has done business throughout
6 California and throughout the United States at all times during the Class Period.

7 41. Defendant also made automatic renewal or continuous service offers to consumers
8 in California and throughout the United States via the Mindvalley Properties.

9 42. Plaintiffs reserve the right to amend this Complaint to add different or additional
10 defendants, including without limitation any officer, director, employee, supplier, or distributor of
11 Defendant who has knowingly and willfully aided, abetted, or conspired in the false and deceptive
12 conduct alleged herein.

13 **III. JURISDICTION AND VENUE**

14 43. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332(d)(2)(A),
15 as amended by the Class Action Fairness Act of 2005 (“CAFA”), because this case is a class action
16 where the aggregate claims of all members of the proposed class are in excess of \$5,000,000.00,
17 exclusive of interest and costs, there are over 100 members of the putative class, and Plaintiff, as
18 well as most members of the proposed class, is a citizen of a state different from Defendant.

19 44. This Court has personal jurisdiction over Defendant. Defendant does business in
20 California and has sufficient minimum contacts with this state, including within this District,
21 and/or has otherwise intentionally availed itself of the California consumer market through the
22 promotion, marketing, and sale of its products and/or services to residents within this District and
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1 throughout California. Additionally, Plaintiffs purchased their Mindvalley Subscription from
2 Defendant while in California.

3 45. Pursuant to 28 U.S.C. § 1391, this Court is the proper venue for this action because
4 a substantial part of the events, omissions, and acts giving rise to the claims herein occurred in this
5 District. Also, Ms Ali resides in this District and purchased Defendant's Subscription in this
6 District. Moreover, Defendant systematically conducts business in this District and throughout
7 the State of California and it distributed, advertised, and sold its Subscriptions to Plaintiffs and
8 Class Members in these States and Districts.

9 **IV. GENENERAL FACTUAL ALLEGATIONS**

10 **A. The History of the Subscription e-Commerce Market**

11 46. The e-commerce subscription model is a business model in which retailers provide
12 ongoing goods or services "in exchange for regular payments from the customer."¹ Subscription
13 e-commerce services target a wide range of customers and cater to a variety of specific interests.
14 Given the prevalence of online and e-commerce retailers, subscription e-commerce has grown
15 rapidly in popularity in recent years. Indeed, the "subscription economy has grown more than
16 400% over the last 8.5 years as consumers have demonstrated a growing preference for access to
17 subscription services[.]"² Analysts at UBS predict that the subscription economy will expand into
18 a \$1.5 trillion market by 2025, up from \$650 billion in 2020.³ That constitutes an average annual
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20 ¹ See <https://www.coredna.com/blogs/ecommerce-subscription-services>.

21 ² Business Insider, Taco Bell's taco subscription is rolling out nationwide — here's how to get it
(January 6, 2022), [https://www.businessinsider.com/taco-bell-subscription-launching-across-the-](https://www.businessinsider.com/taco-bell-subscription-launching-across-the-country-2022-1)
country-2022-1 (internal quotation marks omitted).

22 ³ See UBS, Investing in digital subscriptions (March 10, 2021),
[https://www.ubs.com/global/en/wealth-management/our-](https://www.ubs.com/global/en/wealth-management/our-approach/marketnews/article.1525238.html)
23 approach/marketnews/article.1525238.html ("[A]t close to USD 650 billion in 2020, we expect
24 the subscription economy to expand into a USD 1.5 trillion market by 2025, implying an average
annual growth rate of 18%."). See also Subscribed, UBS Declares: It's Worth Investing in the

1 growth rate of 18%, which makes the subscription economy “one of the fastest-growing industries
2 globally.”⁴

3 47. As noted above, the production, sale, and distribution of subscription-based
4 products and services is a booming industry that has exploded in popularity over the past few years.
5 According to Forbes, “[t]he subscription e-commerce market has grown by more than 100%
6 percent a year over the past five years, with the largest retailers generating more than \$2.6B in
7 sales in 2016, up from \$57.0M in 2011.”⁵ Following 2016, market growth within the industry
8 increased exponentially, reaching \$650 billion in 2020.⁶ “As such, the financials of companies
9 with subscription business models[] ... improved dramatically in 2020 thanks to limited revenue
10 volatility and strong cash flow generation.”⁷ Thus, “[t]he share prices of most subscription
11 companies have performed well in recent years.”⁸

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15 Subscription Economy (April 17, 2021), <https://www.subscribed.com/read/news-and-editorial/ubs-declares-its-worth-investing-in-the-subscription-economy>; Business 2 Community, The Subscription Economy Is Booming Right Now. But Are You Reaping the Full Benefits? (October 7, 2021), <https://www.business2community.com/ecommerce/the-subscription-economy-is-booming-right-now-but-are-you-reaping-the-full-benefits-02434851>.

17 ⁴ UBS, Investing in digital subscriptions (Mar. 10, 2021), *supra* (“[Growth] was seen across many
18 areas, including e-commerce, video streaming, gaming, cloud-based applications, etc.”); see also
19 Juniper Research, Subscriptions For Physical Goods To Overtake Digital Subscriptions By 2025;
20 Growing To Over \$263bn Globally (Oct. 12, 2020), <https://www.juniperresearch.com/press/subscriptions-for-physical-goods-to-overtake>
(acknowledging “the significant lead the digital sector has had in th[e] area[of digital service
subscriptions]”).

21 ⁵ The State Of The Subscription Economy, 2018, Forbes (Mar. 4, 2018),
<https://www.forbes.com/sites/louiscolombus/2018/03/04/the-state-of-the-subscription-economy-2018/#6ad8251a53ef>.

22 ⁶ See UBS, Investing in digital subscriptions (Mar. 10, 2021), available at
23 <https://www.ubs.com/global/en/wealth-management/our-approach/marketnews/article.1525238.html>.

24 ⁷ Id.

25 ⁸ Id.

1 48. The expansion of the subscription e-commerce market shows no signs of slowing.
2 “We’re now in the subscriptions era, and the pandemic is accelerating its takeover. During the
3 COVID-19 lockdowns, many digital-based subscription business models fared well due to their
4 promise of convenience and strong business continuity.”⁹ According to The Washington Post,
5 “[s]ubscriptions boomed during the coronavirus pandemic as Americans largely stuck in shutdown
6 mode flocked to digital entertainment[.] ... The subscription economy was on the rise before the
7 pandemic, but its wider and deeper reach in nearly every industry is expected to last, even after
8 the pandemic subsides in the United States.”¹⁰

9 49. However, as The Washington Post has noted, there are downsides associated with
10 the subscription-based business model. While the subscription e-commerce market has low
11 barriers and is thus easy to enter, it is considerably more difficult for retailers to dominate the
12 market due to the “highly competitive prices and broad similarities among the leading players.”¹¹
13 In particular, retailers struggle with the fact that “[c]hurn rates are high, [] and consumers quickly
14 cancel services that don’t deliver superior end-to-end experiences.”¹² Yet, retailers have also
15 recognized that, where the recurring nature of the service, billing practices, or cancellation process
16 is unclear or complicated, “consumers may lose interest but be too harried to take the extra step of
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19 ⁹ UBS, Investing in digital subscriptions (Mar. 10, 2021), <https://www.ubs.com/global/en/wealth-management/our-approach/marketnews/article.1525238.html>.

20 ¹⁰ The Washington Post, Everything’s becoming a subscription, and the pandemic is partly to blame (June 1, 2021), <https://www.washingtonpost.com/business/2021/06/01/subscription-boom-pandemic/> (noting that “e-commerce and entertainment subscriptions to sites such as Netflix, Hulu and Disney Plus made headlines during the pandemic for soaring growth”).

21 ¹¹ McKinsey & Company, Thinking inside the subscription box: New research on e-commerce consumers, (February 2018), <https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/thinking-inside-the-subscription-box-new-research-on-e-commerce-consumers#0>.

22 ¹² Id.
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canceling their membership[s].”¹³ As these companies have realized, “[t]he real money is in the inertia.”¹⁴ As a result, “[m]any e-commerce sites work with third-party vendors to implement more manipulative designs.”¹⁵ That is, to facilitate consumer inertia, a number of subscription e-commerce companies, including Defendant, “are now taking advantage of subscriptions in order to trick users into signing up for expensive and recurring plans. They do this by intentionally confusing users with their app’s design and flow, ... and other misleading tactics[,]” such as failure to fully disclose the terms of its automatic-renewal programs.¹⁶

50. To make matters worse, once enrolled in the subscription, “[o]ne of the biggest complaints consumers have about brand/retailers is that it’s often difficult to discontinue a subscription marketing plan.”¹⁷ Moreover, “the rapid growth of subscriptions has created a host of challenges for the economy, far outpacing the government’s ability to scrutinize aggressive marketing practices and ensure that consumers are being treated fairly, consumer advocates say.”¹⁸ Thus, although “Federal Trade Commission regulators are looking at ways to make it harder for companies to trap consumers into monthly subscriptions that drain their bank accounts [and]

¹³ Washington Post, Little-box retailing: Subscription services offer new possibilities to consumers, major outlets (April 7, 2014), https://www.washingtonpost.com/business/economy/tktktktk/2014/04/07/f68135b6-a92b-11e3-8d62-419db477a0e6_story.html.

¹⁴ Id.

¹⁵ Business Insider, A new study from Princeton reveals how shopping websites use 'dark patterns' to trick you into buying things you didn't actually want (June 25, 2019), <https://www.businessinsider.com/dark-patterns-online-shopping-princeton-2019-6>.

¹⁶ TechCrunch, Sneaky subscriptions are plaguing the App Store (October 15, 2018), <https://techcrunch.com/2018/10/15/sneaky-subscriptions-are-plaguing-the-app-store/>.

¹⁷ The Washington Post, Everything’s becoming a subscription, and the pandemic is partly to blame (June 1, 2021), <https://www.washingtonpost.com/business/2021/06/01/subscription-boom-pandemic/> (“‘Subscription services are a sneaky wallet drain,’ said Angela Myers, 29, of Pittsburgh. ‘You keep signing up for things and they make it really hard to cancel.’”); see also New Media and Marketing, The problem with subscription marketing (Mar. 17, 2019), <https://www.newmediaandmarketing.com/the-problem-with-subscription-marketing/>.

¹⁸ Id.

1 attempting to respond to a proliferation of abuses by some companies over the past few years[.]”¹⁹
2 widespread utilization of these misleading dark patterns and deliberate omissions persist.

3 51. Defendant has successfully engaged these practices. It is estimated that Mindvalley
4 has approximately 12 million registered users.

5 **B. Defendant’s Online Complaints are Indicative of its Unlawful Subscription**
6 **Practices**

7 52. Consumers have complained on social media outlets both about Defendant’s
8 misleading enrollment process as well as its unclear cancellation process.

9 53. Also, consumers complained about being misled into believing they were enrolling
10 in a “free trial membership” that could be easily cancelled only to discover that it was very difficult
11 for them to cancel this “free membership” and they ended up getting charged despite their attempts
12 to cancel.

13 54. Many users of Mindvalley also believed they were purchasing a one-month or
14 one-year Subscription only to discover that their Subscriptions were being automatically
15 renewed. A \$50 or \$150 fee for a single month quickly turned into several hundred if not
16 thousands of dollars of fees.

17 55. Other users were just unable to cancel their monthly or annual Subscriptions
18 fees.

19 56. Users also complained when they were finally able to cancel the automatic renewal
20 that their existing Subscription which they already paid for was terminated and they did not receive
21 a refund. This is despite the fact that Mindvalley claims that “When you cancel a subscription
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24 ¹⁹ Id.

you'll still be able to use your subscription for the time you've already paid.”²⁰ There over 3,691 reviews of the Defendant on Trustpilot, many of which involve these same issues.²¹

57. Below is just a sampling of those reviews:



A day ago

Terrible experience trying to get a...

Terrible experience trying to get a refund. I've been trying for about a week to find a way to cancel my membership. The link you're directed to puts you into a loop so can't get a refund. There's no phone number for customers to call so you can't ask for a refund. Help and Support is useless, it puts you into the loop as well.

Date of experience: November 16, 2022



KH

5 reviews 📍 GB



4 days ago

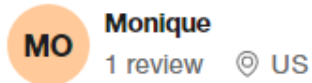
Terrible experience

Complicated billing, enrolled on the wrong course and staff are only able to offer temporary solutions to your problems. There is a major issue with billing which causes you to lose access to what you paid for. Its a terrible experience for the customer

Date of experience: November 21, 2022

²⁰ <https://faqs.mindvalley.com/en/articles/2553097-how-to-cancel-when-you-purchase-via-apple-or-google-playstore>

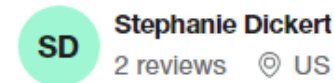
²¹ <https://www.trustpilot.com/review/Mindvalley.org?page=2>

**Monique**1 review  US

7 days ago

Deceptive practices

Bought Vishens new book after going to the website and Instagram which said you would get Mindvalley membership for free for 1 year. I have screen shots of when I ordered saying you will get the bonus! But when it didn't come to my account, I contacted customer service which said that the offer had expired. It was clearly still there when I ordered. Extremely shady and deceptive trade practice to advertise bonuses to get you to buy a book but then not honor the promise. I would not have purchased the book other wise. Seems like they lied just to get book sales. I was super excited to try Mindvalley but now that I see their awful customer service and deceptive practices I will not.

Date of experience: November 15, 2022**Stephanie Dickert**2 reviews  US

Nov 5, 2022

DONT DO IT!

Their customer service is no. Existent. They give you the run around until your time has expired for refund. I contacted more than 5 times and was told to log on. I was unable to get logged on and NEVER received email back from their support. Save yourself money, DONT DO IT!

Date of experience: November 04, 2022

**SJM**

1 review 📍 US



Oct 31, 2022

Rude and condescending customer "service".

I had cancelled my subscription but was charged \$499 for a membership renewal. When I called to request a refund, I spoke to a "customer service agent" named Rudy. Rudy was named appropriately because he was extremely rude. He gave me a lecture about how I should manage my finances better and then this would not have been an issue. Needless to say, I have zero interest in ever doing another Mindvalley course in the future. Wow, just wow.

Date of experience: October 30, 2022**Rod Butterss**

1 review 📍 AU

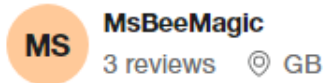


Oct 10, 2022

Where's my refund

I ordered a Mindvalley course and expected the price quoted to be in my local currency. As the cost was nearly double I tried to get a refund and have found it impossible to get any customer Service or access to a refund section on the website that actually works. Not good enough Mindvalley.

Date of experience: October 04, 2022

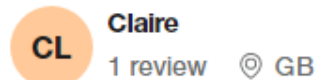


Oct 29, 2022

More money taken than I authorised. Beware!

Signed up for their 15 day trial period. The advert claimed that this would be free, so I assumed I wouldn't be charged for 15 days. Silly me. Payment taken immediately. I imagine there is small print somewhere that I missed. However, the thing I'm really annoyed about and I suspect might actually be illegal, is that I pressed "Submit" for a payment of 99 dollars. But 118 dollars was taken because of tax being added, which I wasn't informed about before submitting the payment, so I didn't consent to. Across a year, 19 dollars tax comes to an extra 228 on top of the cost. That's extortionate. So I didn't sign up for that. I have cancelled and applied for a refund and, if not fully given, my bank will be raising a dispute. Shame on you Mindvalley. You are operating in the field of wellness and mindfulness but these practices are not ethical or mindful.

Date of experience: October 28, 2022



Oct 12, 2022

I'm having exactly the same problems

I'm having exactly the same problems as other unhappy reviewers, nothing is working, I only wanted to sample one course and then have option to refund. I joined a few days ago, the links don't work for a refund, there is no 'billing' section in profile, the website isn't working so not been able to even look at any courses, never mind the one course I was interested in. I've whatsapped, chatted, and emailed with no other response than we'll get back to you as soon as we can. Mindvalley you need to sort your service out. I've tried multiple devices so it is definitely the site. I've checked several times a day and nothing is working

Date of experience: October 11, 2022

**Born Ready**

2 reviews 📍 US



Sep 16, 2022

THEY OFFER A FULL REFUND IF YOU CANCEL...

THEY OFFER A FULL REFUND IF YOU CANCEL WITHIN 15 DAYS. I CANCELLED AFTER FIVE DAYS AND HAVE NO EVEN RECEIVED ACKNOWLEDGEMENT FOR THE REFUND. I HAVE CALLED, CHATED AND WAITED FOR A RESPONSE FOR WEEKS NOW, NO ONE GETS BACK IN TOUCH AND NO REFUND HAS BEEN MADE. THIS IS AN ABSOLUTE SCAM ORGANIZATION, TO PRETEND TO BE OPERATING AT A HIGH MORAL AND ETHICAL LEVEL, LEAVES MUCH TO BE DESIRED

Date of experience: August 23, 2022**Torben Hyldgård**

13 reviews 📍 US



Sep 29, 2022

Spite countless I have tried to get in...

I have countless times, tried to get in touch with Mindvalley - it is impossible, all the time you will just receive a non-replayable email.

I signed up - never used it - never signed in - they continue stealing 99,- USD from my bank account monthly.

It seems to be a scam - Shame on Vishen shame on Mindvalley. You still owe me 299,- USD

Date of experience: September 15, 2022

58. Although Mindvalley has a B- rating on the Better Business Bureau (“BBB”) website, there are numerous complaints about Mindvalley’s Subscription process and many of these complaints include difficulties in getting refunds and cancelling Subscriptions along with very poor customer service.²² Below is just a sampling of those reviews:

²² <https://www.bbb.org/us/or/beaverton/profile/online-education/mindvalley-llc-1296-22533877/complaints>

59.



Initial Complaint
11/09/2022

Complaint Type: Problems with Product/Service
Status: Answered ?

November 6, 2022 I signed up for MindValley and paid the \$99. I have been unable to open the classes and have now tried to request a refund. ***** is now available and they have disconnected their customer service phone number. Please have them refund my money.***** today's date 11/9/2022



Initial Complaint
08/30/2022

Complaint Type: Problems with Product/Service
Status: Answered ?

On August 24, 2022 I ordered a Mindvalley membership for \$399.00. I was notified by email that my payment was received and I now had access as a member to their courses. I could log in to their site and app but their sites claimed I needed to join to receive access? When I checked my account billing it stated the a refund was not possible be they had not received payment? I am still within the 15 day refund trial period and have been unsuccessful in reaching Mindvalleys customer service. They have my money but I have no access to their courses. My profile info is w4f6rcbrnx.



Initial Complaint
06/27/2022

Complaint Type: Problems with Product/Service
Status: Resolved ?

On June 23, 2022 I purchased the year subscription to Mindvalley. To date, have not received the email to access my membership. I attempted to contact their support team via telephone, email, and whatsapp and I get disconnected or no assistance at all. I am unable to access the online membership login. Due to the horrible customer service and inability to reach anyone, I have asked for a refund since I am within the 15 day refund policy/guidelines. Again, I cannot login to request a refund and I cannot reach anyone. Essentially, they took the money nearly \$400.00 and have not provided the service I paid for and the customer service to resolve this issue. I believe thier company is horrible and fraudulent.

**Initial Complaint**

06/07/2022

Complaint Type: Problems with Product/Service**Status:** Answered ?

I'd like to file a complaint against MindValley, LLC, **** Fargo and PayPal due to issues stemming from a yearly subscription renewal for almost \$500. There is a complicated history that I can provide documentation of, but I am VERY DISTURBED by the business practices of at least one, but possibly all three of these businesses. In short, this is what happened: February 2, 2021, I authorized the purchase of a yearly subscription to MindValley through PayPal for \$499 on my personal credit card through **** Fargo, ending **** A year later, on February 2, 2022, my BUSINESS card, ending ****, was charged \$499 through Paypal for the yearly MindValley subscription. I emailed MindValley and they agreed to stop my subscription and give me a refund if I took a survey, which I did. I also disputed the charge through Paypal (the dispute is still open, reference number PP-D-*****) and **** Fargo (the dispute, claim *****) was found disfavorably, despite my records showing that MindValley agreed to the refund and the VERY DISTURBING FACT that they randomly had access to charge my BUSINESS account, despite never having information or authorization to do so.). Now, despite having paid \$499 for the membership, I do not have access to my paid subscription and MindValley is not answering my emails and their phone number goes to a voicemail that hangs up. I want assistance in getting my \$499 back from MindValley, or access to the subscription that I have now, unwillingly, paid for. I want PayPal held accountable for giving out my business financial information to MindValley without my authorization. I also want **** Fargo held accountable for not protecting my business account and, against all logic, finding in favor of MindValley despite having an email directly from them granting the refund. Additionally, but significantly less importantly, MindValley says they sent an email reminder of the yearly renewal, but they did not.

**Initial Complaint**

05/11/2022

Complaint Type: Billing/Collection Issues**Status:** Answered ?

***** charged **** on my credit card. I had sent five emails in since 5/9/22, which is when I received a notice from ***** that they had renewed my membership. I do not want this membership, and there is no way to contact anyone. (Or if they did read my emails, they either are not the proper department, or they are ignoring me) Their policy says they don't give refunds, which is ridiculous as I did not receive prior renewal authorization. I want my refund. I will be disputing this charge with my credit card company.

**Initial Complaint**

05/05/2022

Complaint Type: Problems with Product/Service**Status:** Answered ?

I didnt join Mindvalley I was seeking more information trying to compare and contrast them with ***** Then I saw they took my money out my PayPal Account I informed PayPal and Mindvalley told them it was a legit deduction. I havent used any of their services and as soon as i saw it on my **** i filed a complaint I want and need my money back. This is causing me financial hardship for i only get paid once a month

C. California's Automatic Renewal Law

60. In 2010, the California Legislature enacted the Automatic Renewal Law ("ARL"), Cal. Bus. & Prof. Code §§ 17600, et seq., with the intent to "end the practice of ongoing charging

1 of consumer credit or debit cards or third party payment accounts without the consumers' explicit
 2 consent for ongoing shipments of a product or ongoing deliveries of service." Cal. Bus. & Prof.
 3 Code § 17600 (statement of legislative intent). More recently, in 2018, California's Senate Bill
 4 313 amended Section 17602 of the ARL, adding new requirements meant to increase consumer
 5 protections for, among other things, orders that contain free trial and promotional pricing, and
 6 subscription agreements entered into online.

7 61. The ARL makes it "unlawful for any business making an automatic renewal or
 8 continuous service offer to a consumer in this state to do any of the following:"

- 9 (1) Fail to present the automatic renewal offer terms or continuous service offer
 10 terms in a clear and conspicuous manner before the subscription or
 11 purchasing agreement is fulfilled and in visual proximity, or in the case of
 12 an offer conveyed by voice, in temporal proximity, to the request for
 13 consent to the offer. If the offer also includes a free gift or trial, the offer
 shall include a clear and conspicuous explanation of the price that will be
 charged after the trial ends or the manner in which the subscription or
 purchasing agreement pricing will change upon conclusion of the trial.
- 14 (2) Charge the consumer's credit or debit card, or the consumer's account with
 15 a third party, for an automatic renewal or continuous service without first
 16 obtaining the consumer's affirmative consent to the agreement containing
 the automatic renewal offer terms or continuous service offer terms,
 including the terms of an automatic renewal offer or continuous service
 offer that is made at a promotional or discounted price for a limited period
 of time.
- 17 (3) Fail to provide an acknowledgment that includes the automatic renewal
 18 offer terms or continuous service offer terms, cancellation policy, and
 19 information regarding how to cancel in a manner that is capable of being
 20 retained by the consumer. If the automatic renewal offer or continuous
 21 service offer includes a free gift or trial, the business shall also disclose in
 the acknowledgment how to cancel, and allow the consumer to cancel, the
 22 automatic renewal or continuous service before the consumer pays for the
 goods or services.

23 **Cal. Bus. & Prof. Code § 17602(a)(1)-(3).**
 24
 25
 26

1 62. Section 17602(b) of the ARL further provides:

2 A business that makes an automatic renewal offer or continuous service offer shall provide
3 another cost-effective, timely, and easy-to-use mechanism for cancellation that shall be
described in the acknowledgment specified in paragraph (3) of subdivision (a).

4 Cal. Bus. & Prof. Code § 17602(b).

5 63. Additionally, following the 2018 amendment to the ARL, the updated law requires
6 e-commerce sellers doing business in California to allow online cancellation of auto-renewing
7 memberships or recurring purchases that were initiated online. Specifically, Section 17602(c)
8 provides:

9 [A]consumer who accepts an automatic renewal or continuous service offer online
10 shall be allowed to terminate the automatic renewal or continuous service
11 exclusively online, which may include a termination email formatted and provided
by the business that a consumer can send to the business without additional
information.

12 Cal. Bus. & Prof. Code § 17602(c) (emphasis added). The updated ARL also requires a seller who
13 provides an automatic offer that includes a free gift, trial, or promotional pricing to notify
14 consumers about how to cancel the auto-renewal before they are charged. Sellers must also explain
15 the price to be charged when the promotion or free trial ends. If the initial offer is at a promotional
16 price that is only for a limited time and will increase later, the seller must obtain consumer consent
17 to the non-discounted price prior to billing. *Id.*

18 64. Section 17601(a) of the ARL defines the term “Automatic renewal” as a “plan or
19 arrangement in which a paid subscription or purchasing agreement is automatically renewed at the
20 end of a definite term for a subsequent term.” Cal. Bus. & Prof. Code § 17601(a).

21 65. Section 17601(b) of the ARL defines the term “Automatic renewal offer terms” as
22 “the following clear and conspicuous disclosures: (1) That the subscription or purchasing
23 agreement will continue until the consumer cancels. (2) The description of the cancellation policy
24
25
26

1 that applies to the offer. (3) The recurring charges that will be charged to the consumer’s credit or
2 debit card or payment account with a third party as part of the automatic renewal plan or
3 arrangement, and that the amount of the charge may change, if that is the case, and the amount to
4 which the charge will change, if known. (4) The length of the automatic renewal term or that the
5 service is continuous, unless the length of the term is chosen by the consumer. (5) The minimum
6 purchase obligation, if any.” Cal. Bus. & Prof. Code § 17601(b).

7 66. Pursuant to Section 17601(c) of the ARL, “clear and conspicuous” or “clearly and
8 conspicuously” means “in larger type than the surrounding text, or in contrasting type, font, or
9 color to the surrounding text of the same size, or set off from the surrounding text of the same size
10 by symbol ls or other marks, in a manner that clearly calls attention to the language.” Cal. Bus. &
11 Prof. Code § 17601(c).

12 67. Finally, Section 17603 of the ARL provides that where a “business sends any
13 goods, wares, merchandise, or products to a consumer, under a continuous service agreement or
14 automatic renewal of a purchase, without first obtaining the consumer’s affirmative consent,” the
15 material sent will be deemed “an unconditional gift to the consumer, who may use or dispose of
16 the same in any manner he or she sees fit without any obligation whatsoever on the consumer’s
17 part to the business.” Cal. Bus. & Prof. Code § 17603.

18 68. As alleged below, Mindvalley’s website, mobile apps, and APIs systematically
19 violate Sections 17602(a)(1), 17602(a)(2), and 17602(a)(3) of the ARL.

20 **D. Mindvalley’s Subscription Enrollment Process**

21 69. At all relevant times, Defendant offered various subscriptions plans on a recurring
22 basis monthly ad annual basis, and all plans automatically renew at the end of the defined renewal
23 term unless the subscriber cancels. Defendant’s monthly and annual Subscriptions plans constitute
24
25
26

1 automatic renewal and/or continuous service plans or arrangements for the purposes of Cal. Bus.
2 & Prof. Code § 17601.

3 70. The enrollment process for each Mindvalley Subscription is substantially the same,
4 regardless of the medium used.

5 71. For the purposes of the ARL and this Complaint, the “relevant portion of the
6 Checkout Page” refers to the text of that portion of the Checkout Page that appears “in visual
7 proximity to the request for consent to the offer[,]” which in this case pertains to the latter block
8 of text located immediately above and below the final green rectangular box labeled as the
9 “COMPLETE MY ORDER” button that customers must press in order to complete the checkout
10 process.

11 72. By way of example, at least as of November 2022, when a consumer signed up for
12 a Mindvalley “free trial” or pay-in-advance monthly or annual Subscription, via his or her
13 computer web browser, the “relevant portion of the Checkout Page” refers to the disclosures in the
14 block of text located immediately above and below the final green rectangular box labeled as the
15 “COMPLETE MY ORDER” button (i.e., the “request for consent”), which contains the following
16 language and appearance:



1 PAYMENT OPTIONS

2 ORDER COMPLETE

BILLING INFORMATION

FIRST NAME *

LAST NAME *

EMAIL * ?

ZIP CODE / POST CODE * ?

COUNTRY *

STATE OR PROVINCE *

CREDIT CARD

PAYPAL

CARDHOLDER NAME *

CARD NUMBER *



EXPIRATION DATE *

CVV *



COMPLETE MY ORDER

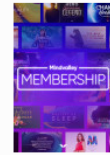
By placing your order, you agree to Mindvalley's [privacy policy](#) and [terms of use](#).
You'll receive the latest course updates, Mindvalley news, and daily lessons.

ORDER SUMMARY

Mindvalley Membership Annual Subscription
USD \$499 annually (excluding VAT for EU).
Billed automatically every year unless you
cancel the subscription.

Item Price

USD 499.00



Mindvalley Membership

Tax/VAT

USD 0.00

Total

USD 499.00



Mindvalley

1 **PAYMENT OPTIONS**
2

3 **2 ORDER COMPLETE**
4

5 **BILLING INFORMATION**
6

7 FIRST NAME *
8 LAST NAME *
9

10 EMAIL * ?
11 ZIP CODE / POST CODE * ?
12

13 COUNTRY *
14 STATE OR PROVINCE *
15

16 United States
17 Select region
18

19 **CREDIT CARD**
20 **PAYPAL**
21

22 CARDHOLDER NAME *
23

24 CARD NUMBER *
25

26 VISA MasterCard American Express DISCOVER
27

28 EXPIRATION DATE *
29

30 - Select One - - Select One -
31

32 CVV *
33

34
35
36

37 **COMPLETE MY ORDER**
38

39 By placing your order, you agree to Mindvalley's [privacy policy](#) and [terms of use](#).
40 You'll receive the latest course updates, Mindvalley news, and daily lessons.
41

42 **ORDER SUMMARY**
43

44 Mindvalley Membership Monthly Subscription
45 USD \$99 monthly (excluding VAT for EU). Billed
46 automatically every month unless you cancel
47 the subscription.
48

49 Item Price
50 USD 99.00
51

52 Mindvalley Membership
53

54 Tax/VAT
55 USD 0.00
56

57 **Total**
58 **USD 99.00**
59

60
61
62

Subscriptions with a Trial Period

If You don't cancel a monthly or annual subscription before the end of the trial period (free or otherwise), Company will collect the full payment for the subscription (monthly or annual) after the trial period ends. For Instance, for an annual subscription with a seven (7) days trial, the full payment will be collected on the eighth (8) day of the trial's start date, and the subsequent payment for the annual subscription will be collected on the three hundred and sixty-sixth (366) day of the trial's start date.

73. Regardless of how the consumer subscribes (via the Mindvalley Website on its mobile or desktop format), and irrespective of which particular subscription plan the consumer selects, Defendant fails to disclose the full terms of its auto-renewal program either before or after checkout, and it never requires the individual to read or affirmatively agree to any terms of service,

i.e., by requiring consumers to click a checkbox next to the automatic renewal offer terms before consumers complete the checkout process and submit their orders for Defendant’s “free” trial subscriptions. Defendant uniformly fails to obtain any form of consent from – or even provide effective notice to – its subscribers before charging consumers’ Payment Methods on a recurring basis.

E. Defendant Violates California’s Automatic Renewal Law

74. At all relevant times, Defendant failed to comply with the ARL in three ways: (i) Defendant failed to present the automatic renewal offer terms in a clear and conspicuous manner and in visual proximity to the request for consent to the offer before the subscription or purchasing agreement was fulfilled, in violation of Cal. Bus. & Prof. Code § 17602(a)(1); (ii) Defendant charged Plaintiffs’ and the proposed class members’ Payment Methods without first obtaining their affirmative consent to the agreement containing the automatic renewal offer terms, in violation of Cal. Bus. & Prof. Code § 17602(a)(2); and (iii) Defendant failed to provide an acknowledgment that included the automatic renewal offer terms, cancellation policy, and information regarding how to cancel in a manner that is capable of being retained by the consumer, in violation of Cal. Bus. & Prof. Code §§ 17602(a)(3).

i. Defendant Fails To Clearly And Conspicuously Present Mindvalley’s Subscription Terms Before The Subscription Agreement Is Fulfilled And In Visual Proximity To The Request For Consent To The Offer.

75. The relevant portion of Defendant’s Checkout Page does not clearly and conspicuously present the complete “automatic renewal offer terms[,]” as defined by Cal. Bus. & Prof. Code §17601(b).

76. Specifically, Defendant fails to present a complete “description of the cancellation policy that applies to the offer.” Cal. Bus. & Prof. Code § 17601(b)(2). With respect to

cancellation, the relevant portion of the Checkout Page states in very small font: “Billed automatically every [month] [year] unless you cancel the subscription.” The Checkout Page contains no explanation of how to cancel. For example, the Checkout Page does not mention that subscribers cancel their Mindvalley subscription by choosing “Account Settings” and then by clicking in “My Account” and then “Billing” and then press the tiny “Cancel Subscription” hyperlink.

77. By way of example, at least as of November 2022, is the “Cancel Subscription” page.

3. Click on ‘Cancel Subscription’

Subscriptions



78. Additionally, the Checkout Page does not state that a subscriber who cancels after the 7-day free trial will not be eligible for a refund after his or her payment method is charged.

79. Defendant therefore failed to place consumers on notice of these aspects of Defendant’s cancellation policy in accordance with statute because the ARL requires that companies provide such information “in visual proximity to the request for consent to the

1 [automatic renewal] offer,” and in this case Defendant has failed to do so. Cal. Bus. & Prof. Code
2 § 17602(a)(1).

3 80. Pursuant to Section 17601(c) of the ARL, “clear and conspicuous” or “clearly and
4 conspicuously” means “in larger type than the surrounding text, or in contrasting type, font, or
5 color to the surrounding text of the same size, or set off from the surrounding text of the same size
6 by symbols or other marks, in a manner that clearly calls attention to the language.” Cal. Bus. &
7 Prof. Code § 17601(c).

8 81. Defendant’s inadequate “automatic renewal terms” fall well short of the mark from
9 being conspicuous as defined under the ARL.

10 82. Specifically, the terms are not “clear and conspicuous” because they are smaller
11 than the text featured in and under the payment information. Additionally, the terms, which appear
12 below the payment information are in a size that is less than 10-point and are illegible to the naked
13 eye without increasing the zoom level even on a large computer screen.

14 83. At the same time, the illegible terms are much less obvious or noticeable than the
15 text in the middle of the Checkout Page with a large font size and with parts that are in bold.

16 84. Finally, the terms are clearly overshadowed by the large call-to-action button which
17 is in a green rectangular box labeled as the “COMPLETE MY ORDER”.

18 85. It is clear from the design of Defendant’s Checkout Page that Defendant intends to
19 mislead prospective consumers, and has misled consumers, into purchasing its Mindvalley’s
20 Subscriptions.

21 86. Based on the above, Defendant’s deceptive Checkout Page does not “clearly call
22 attention” to its otherwise inadequate “automatic renewal terms” in violation of Cal. Bus. & Prof.
23 Code § 17602(1).

87. Defendant therefore fails to present pertinent information regarding cancellation “before the subscription or purchasing agreement is fulfilled and in visual proximity[] ... to the request for consent to the offer,” as the ARL requires. Cal. Bus. & Prof. Code § 17602(a)(1).

ii. Defendant Fails To Clearly And Conspicuously Present Mindvalley’s Subscription Automatic Renewal Terms.

The relevant portion of Defendant’s Checkout Page does not clearly and conspicuously present the complete “automatic renewal offer terms[,]” as defined by Cal. Bus. & Prof. Code §17601(b). First, Defendant fails to clearly and conspicuously disclose that “the subscription or purchasing agreement will continue until the consumer cancels” as defined by Cal. Bus. & Prof. Code § 17601(b)(1). As illustrated by the Checkout Page above, although the relevant portion mentions that a customer will be “Billed automatically every [month] [year] unless you cancel the subscription.” this disclosure is inadequate because it is in tiny, faded font and it is very difficult to see and/or read. Thus fails it to disclose “[t]hat the subscription or purchasing agreement will continue until the consumer cancels” in the manner required by the statute. Cal. Bus. & Prof. § 17601(b)(1). For the same reasons stated above, Defendant also fails to disclose the “length of the automatic renewal term or that the service is continuous” as defined by Cal. Bus. & Prof. Code § 17601(b)(4).

Second, Defendant fails to disclose the “description of the cancellation policy that applies to the offer” as defined by Cal. Bus. & Prof. Code § 17601(b)(2). Specifically, although the Checkout Page states that the ““Billed automatically every [month] [year] unless you cancel the subscription”, it fails to indicate the cutoff date for doing so. Specifically, the cancellation policy on the Checkout Page does not disclose that a consumer’s Subscription automatically renews

1 unless auto-renew is turned off at least 24-hours before the end of the current period.²³ Further,
2 neither the Checkout Page nor the terms of service on the Mindvalley Website indicates the time
3 zone that applies to the cutoff date—e.g., Eastern, Central, or Pacific Time. Aside from being
4 inconspicuous, as discussed in greater depth below, the Checkout Page fails to disclose the
5 “description of the cancellation policy that applies to the offer” in the manner required by statute.
6 Cal. Bus. & Prof. § 17601(b)(2).

7 Finally, Defendant fails to disclose the “recurring charges that will be charged to the
8 consumer’s credit or debit card or payment account with a third party as part of the automatic
9 renewal plan or arrangement, and that the amount of the charge may change, if that is the case, and
10 the amount to which the charge will change, if known” as defined by Cal. Bus. & Prof. Code §
11 17601(b)(3). Specifically, although the Checkout Page indicates that consumers’ will be “Billed
12 automatically....,” and that they will be either charged \$99.00 per month or \$499.00 per year,
13 Defendant does not indicate how much money consumers will be charged additional fees at
14 checkout. To make matters worse, the Checkout Page also fails to disclose that the amount billed
15 each Monthly Period or Yearly Period may vary due to promotional offers, changes in your
16 subscription, and changes in applicable taxes. Therefore, the Checkout Page fails to disclose the
17 “recurring charges that will be charged to the consumer’s credit or debit card or payment ...and
18 that the amount of the charge may change, if that is the case, and the amount to which the charge
19 will change, if known” as defined by Cal. Bus. & Prof. Code § 17601(b)(3).

24 ²³ <https://www.mindvalley.com/terms-of-use>

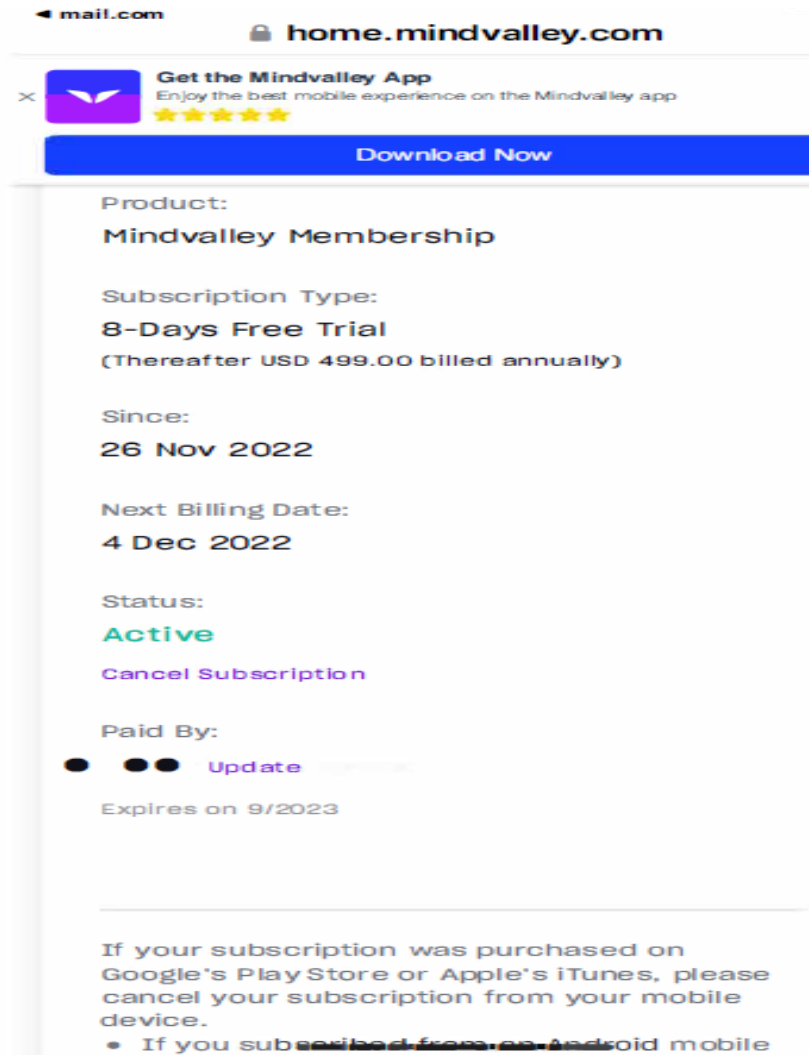
1 iii. **Defendant Fails To Obtain Consumers’ Affirmative Consent To The**
2 **Automatic Renewal Terms Associated With Mindvalley’s Subscriptions.**

3 88. Defendant does not require consumers to read or affirmatively agree to any terms
4 of service associated with the Mindvalley’s Subscriptions, i.e., by requiring consumers to select or
5 click a “checkbox” next to the automatic renewal offer terms to complete the checkout process. In
6 fact, Defendant does not at any point during the checkout process require consumers to read or
7 affirmatively agree to any terms of service associated with their Subscriptions. Accordingly, when
8 Defendant automatically renews customers’ Mindvalley Subscriptions, Defendant charges
9 consumers’ Payment Methods without first obtaining their affirmative consent to the agreement
10 containing the automatic renewal offer terms, in violation of Cal. Bus. & Prof. Code § 17602(a)(2).

11 89. Specifically, Defendant does not at any point during the checkout process require
12 consumers to read or affirmatively agree to any terms of service associated with their Mindvalley’s
13 Subscriptions, e.g., by requiring consumers to select or click a “checkbox” next to the automatic
14 renewal offer terms to complete the checkout process.

15 iv. **Defendant Fails To Provide A Post-Checkout Acknowledgment That Clearly**
16 **And Conspicuously Discloses The Required Mindvalley’s Subscription Offer**
17 **Terms.**

18 90. Finally, after Plaintiffs and the proposed class members subscribed to one of
19 Defendant’s Mindvalley’s Subscription plans, Defendant sent email follow-ups regarding their
20 purchases (the “Acknowledgment Emails”). By way of example, as of 2022 the body of the email
21 contained, in relevant part, the following text and images:
22
23
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25
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91. The purchase confirmation does not provide: that the subscription “will continue until the consumer cancels[.]” Cal. Bus. & Prof. Code § 17601(b)(1); a “description of the cancellation policy that applies to the offer[.]” Cal. Bus. & Prof. Code § 17601(b)(2); a statement of “[t]he recurring charges that will be charged to the consumer’s [Payment Method] as part of the automatic renewal plan or arrangement, and that the amount of the charge may change, [and] if that is the case, and the amount to which the charge will change, Cal. Bus. & Prof. Code § 17601(b)(3); or “[t]he length of the automatic renewal term or that the service is continuous, unless the length of the term is chosen by the consumer[.]” Cal. Bus. & Prof. Code § 17601(b)(4). As such, the Acknowledgment Email fails to “include[] the automatic renewal offer terms ... and

1 information regarding how to cancel in a manner that is capable of being retained by the
2 consumer[,]” in violation Cal. Bus. & Prof. Code §17602(a)(3).

3 92. At all relevant times, Defendant has been well aware that its Subscriptions fail to
4 comply with California’s ARL as evidenced by the number of complaints lodged against it on
5 Trustpilot’s and the BBB’s websites. The facts giving rise to Plaintiffs’ claims are materially the
6 same as the Class she seeks to represent.

7 93. By and through these actions, Defendant has charged Plaintiffs’ and Class
8 members’ Payment Methods in direct violation of the ARL. As a result, all goods, wares,
9 merchandise, or products sent to Plaintiffs and the Class under the automatic renewal of continuous
10 service agreements are deemed to be “unconditional gifts” pursuant to Cal. Bus. & Prof. Code §
11 17603.

12 CLASS ACTION ALLEGATIONS

13
14 94. **Class Definition:** Plaintiffs brings this action pursuant to Rule 23(a) of the Federal
15 Rules of Civil Procedure on behalf of a class and subclass of similarly situated individuals
16 (collectively the “Class”), defined as follows:

- 17 a. The Nationwide Class, preliminarily defined as all Mindvalley customers in the
18 United States who were automatically enrolled into and charged for at least one
19 month of Mindvalley’s membership by Defendant at any time from [applicable
20 statute of limitations period] to the date of judgment (the “Nationwide Class”).
- 21 b. All persons in California who, within the applicable statute of limitations period, up
22 to and including the date of final judgment in this action, incurred renewal fee(s) in
23 connection with Defendant’s subscription offerings (the “California Subclass”).

1 95. Specifically excluded from the Class and Subclass are Defendant and any entities
2 in which Defendant has a controlling interest, Defendant's agents and employees, the judge to
3 whom this action is assigned, members of the judge's staff, and the judge's immediate family.

4 96. Plaintiffs reserve the right to amend the definition of the Class if discovery or
5 further investigation reveals that the Class should be expanded or otherwise modified.

6 97. **Numerosity.** Members of the Class are so numerous that their individual joinder
7 herein is impracticable. On information and belief, the Class comprises at least thousands of
8 consumers throughout California. The precise number of Class members and their identities are
9 unknown to Plaintiffs at this time but may be determined through discovery. Class members may
10 be notified of the pendency of this action by mail and/or publication through the distribution
11 records of Defendant.

12 98. **Commonality and Predominance.** Common questions of law and fact exist as to
13 all Class members and predominate over questions affecting only individual Class members.
14 Common legal and factual questions include, but are not limited to: (a) whether Defendant's
15 Subscriptions constitute "Automatic renewal[s]" within the meaning of Cal. Bus. & Prof. Code §
16 17601(a); (b) whether Defendant failed to present the automatic renewal offer terms, or continuous
17 service offer terms, in a clear and conspicuous manner before the subscription or purchasing
18 agreement was fulfilled and in visual proximity to the request for consent to the offer, in violation
19 of Cal. Bus. & Prof. Code § 17602(a)(1); (c) whether Defendant charged Plaintiffs' and Class
20 members' Payment Method for an automatic renewal service without first obtaining their
21 affirmative consent to the automatic renewal offer terms in violation of Cal. Bus. & Prof. Code§"
22 17602(a)(2); (d) whether Defendant failed to provide an acknowledgment that included the
23 automatic renewal or continuous service offer terms, cancellation policy, and information on how
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to cancel in a manner that is capable of being retained by Plaintiffs and the Class, in violation of Cal. Bus. & Prof. Code § 17602(a)(3); (e) whether the goods and services provided by Defendant are deemed an “unconditional gift” in accordance with Cal. Bus. & Prof. Code § 17603; (f) whether Defendant’s conduct alleged herein violated California’s False Advertising Law (“FAL”), Cal. Bus. & Prof. Code §§ 17500, *et seq.*, California’s Consumers Legal Remedies Act (“CLRA”), Cal. Civ. Code §§ 1750, *et seq.*, and/or California’s Unfair Competition Law (“UCL”), Cal. Bus. & Prof. Code §§ 17200, *et seq.*; (g) whether Defendant’s conduct alleged herein constitutes conversion and/or unjust enrichment; (h) whether Plaintiffs and the Class are entitled to damages and/or restitution; (i) whether Defendant should be enjoined from further engaging in the misconduct alleged herein; and (j) whether Plaintiffs and the Class are entitled to attorneys’ fees and costs under California Code of Civil Procedure § 1021.5.

99. **Typicality.** The claims of Plaintiffs are typical of the claims of the Class in that Plaintiffs and the Class sustained damages as a result of Defendant’s uniform wrongful conduct, based upon Defendant’s failure to obtain Plaintiffs’ and the Class’ affirmative consent to the automatic renewal offer terms or continuous service offer terms associated with the Mindvalley Subscriptions before charging their Payment Methods.

100. **Adequacy.** Plaintiffs will fairly and adequately protect Class members’ interests. Plaintiffs have no interests antagonistic to Class members’ interests, and Plaintiffs have retained counsel that have considerable experience and success in prosecuting complex class-actions and consumer-protection cases.

101. **Superiority.** A class action is superior to all other available methods for the fair and efficient adjudication of this controversy for, *inter alia*, the following reasons: prosecutions of

individual actions are economically impractical for members of the Class; the Class is readily definable; prosecution as a class action avoids repetitious litigation and duplicative litigation costs, conserves judicial resources, and ensures uniformity of decisions; and prosecution as a class action permits claims to be handled in an orderly and expeditious manner.

COUNT I
Violation of the Electronic Funds Transfer Act
15 U.S.C. 1693, *et seq.*
(On behalf of Plaintiffs and Nationwide Subclass)

102. Plaintiffs incorporate the previous allegations as though fully set forth herein.

103. 132. Plaintiffs bring this claim individually and on behalf of the members of the Nationwide Class (the Class for purposes of this Count) against Defendant.

104. The EFTA provides a basic framework establishing the rights, liabilities, and responsibilities of participants in an electronic fund transfer system. 15 U.S.C. §§ 1693 *et seq.* The “primary objective” of the EFTA “is the provision of individual consumer rights.” *Id.* § 1693(b).

105. Any waiver of EFTA rights is void. “No writing or other agreement between a consumer and any other person may contain any provision which constitutes a waiver of any right conferred or cause of action created by this subchapter.” 15 U.S.C. § 1693l.

106. Mindvalley’s transfers of money from the bank accounts of Plaintiffs and members of the Nationwide EFTA Subclass, via their debit cards, as alleged herein, are “electronic fund transfers” within the meaning of the EFTA and the EFTA’s implementing regulations, known as Regulation E and codified at 12 C.F.R. §§ 205 *et seq.* An “electronic fund transfer” means “any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, or computer or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account.” 15

1 U.S.C. § 1693a(7). The term is expressly defined to include “[t]ransfers resulting from debit card
2 transactions, whether or not initiated through an electronic terminal.” 12 C.F.R. § 205.3(b)(v).

3 107. The EFTA defines the term “preauthorized electronic transfer” as “an electronic
4 fund transfer authorized in advance to recur at substantially regular intervals.” 15 U.S.C. §
5 1693a(9). The Official Staff Interpretation of Regulation E describes a “preauthorized electronic
6 transfer” as “one authorized by the consumer in advance of a transfer that will take place on a
7 recurring basis, at substantially regular intervals, and will require no further action by the consumer
8 to initiate the transfer.” 12 C.F.R. Part 205, Supp. I, § 205.2(k), cmt. 1.

9 108. Section 1693e(a) of the EFTA prohibits preauthorized electronic transfers without
10 written authorization: “A preauthorized electronic fund transfer from a consumer’s account may
11 be authorized by the consumer only in writing, and a copy of such authorization shall be provided
12 to the consumer when made.” 15 U.S.C. § 1693e(a). Similarly, Regulation E provides:
13 “Preauthorized electronic fund transfers from a consumer’s account may be authorized only by a
14 writing signed or similarly authenticated by the consumer. The person that obtains the
15 authorization shall provide a copy to the consumer.” 12 C.F.R. § 205.10(b).

16 109. Plaintiffs and members of the Nationwide EFTA Subclass each maintained an
17 “account” as that term is defined in 15 U.S.C § 1693a(2) and are “consumers” within the meaning
18 of 15 U.S.C. § 1693a(5).

19 110. Mindvalley uniformly and routinely initiated preauthorized electronic fund
20 transfers and took money from the bank accounts of the Plaintiffs and members of the Nationwide
21 EFTA Subclass without obtaining their written authorization for the transfers, as required by the
22 EFTA and Regulation E. Mindvalley also uniformly and routinely failed to provide a copy of any
23 such written authorization to Plaintiffs and the Nationwide EFTA Subclass members from whose
24 bank accounts Mindvalley took preauthorized electronic fund transfers for monthly membership
25 fees.
26

111. Mindvalley took funds from bank accounts managed by Plaintiffs via debit card. In none of these instances did Mindvalley obtain Plaintiffs' written authorization, nor did Mindvalley provide Plaintiffs with copies of any such written authorizations.

112. The Official Staff Interpretation of Regulation E explains, "when a third-party payee," such as Mindvalley, "fails to obtain the authorization in writing or fails to give a copy to the consumer ... it is the third-party payee that is in violation of the regulation." 12 C.F.R. Part 205, Supp. I, § 205.10(b), cmt. 2.

113. As a direct and proximate result of Mindvalley's violations of the EFTA and Regulation E, Plaintiffs and class members have suffered damages in the amount of the unauthorized debits taken by Mindvalley. 15 U.S.C. § 1693m. As a further direct and proximate result of Mindvalley's violations of the EFTA and Regulation E, Plaintiffs and the Nationwide EFTA Subclass members are entitled to recover statutory damages in the amount of "the lesser of \$500,000 or 1 per centum of the net worth of the defendant." Id. § 1983m(a)(2)(B).

114. Pursuant to 15 U.S.C. § 1693m, Plaintiffs and the Nationwide EFTA Subclass are also entitled to recover costs of suit and attorneys' fees from Mindvalley.

COUNT II
Violations of California's Unfair Competition Law ("UCL"),
Cal. Bus. & Prof. Code § 17200, *et seq.*
(On behalf of Plaintiffs and California Subclass)

115. Plaintiffs re-allege and incorporate by reference every allegation set forth in the preceding paragraphs as though alleged in this Count.

116. Plaintiffs bring this claim individually and on behalf of the members of the California Subclass (the Class for purposes of this Count) against Defendant.

117. The UCL prohibits unfair competition in the form of "any unlawful, unfair, or fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising and any

act[.]” Cal. Bus. & Prof. Code § 17200. The UCL allows “a person who has suffered injury in fact and has lost money or property” to prosecute a civil action for violation of the UCL. Cal. Bus. & Prof. Code § 17204. Such a person may bring such an action on behalf of himself or herself and others similarly situated who are affected by the unlawful and/or unfair business practice or act.

118. As alleged herein, Defendant has committed unlawful, unfair, and fraudulent business practices under the UCL by, including but not limited to, misrepresenting the terms of its purchase or subscription plans, and by violating the statutes described herein, and by converting to Defendant’s own use and benefit money that rightfully belongs to Plaintiffs and the Class.

119. Defendant violated the UCL by disseminating false and misleading statements in connection with its advertising in violation of Cal. Bus. & Prof. Code § 17500. Plaintiffs read and reasonably relied on Defendant’s statements concerning the terms of their purchase from Mindvalley and relied on both the affirmative statements and Defendant’s omission of material information regarding the purchase terms and automatic renewals. As a result of Defendant misrepresentations and omissions, Plaintiffs entered into transactions that they otherwise would not have or paid more than they would have had they known the truth of Defendant’s sales practices and automatic renewals.

120. Additionally, at all relevant times, Defendant has violated, and continues to violate, the UCL’s proscription against engaging in unlawful and/or unfair conduct as a result of its violations of the ARL, Cal. Bus. & Prof. Code § 17600, *et seq.* Specifically, Defendant failed, and continues to fail, to: (a) provide the auto-renewal terms associated with its Mindvalley Subscription “in a clear and conspicuous manner before the subscription or purchasing agreement is fulfilled and in visual proximity[] ... to the request for consent to the offer,” in violation of Cal. Bus. & Prof. Code § 17602(a)(1); (b) obtain the affirmative consent of Plaintiffs and the Class to

1 those terms before charging their Payment Method, in violation of Cal. Bus. & Prof. Code §
2 17602(a)(2); and (c) provide an acknowledgment that includes the automatic renewal or
3 continuous service offer terms, cancellation policy, and information regarding how to cancel in a
4 manner that is capable of being retained by the consumer, in violation of Cal. Bus. & Prof. Code
5 §§ 17602(a)(3). Defendant also makes it exceedingly difficult and unnecessarily confusing for
6 consumers to cancel their Mindvalley Subscriptions, in violation of Cal. Bus. & Prof. Code §
7 17602(b).

8 121. Defendant also violated California's False Advertising Law, Cal. Bus. & Prof.
9 Code § 17500, *et seq.*, by disseminating false or misleading statements in connection with its
10 advertisements to sell goods and services to California consumers.

11 122. Each of these acts and practices constitutes an independent violation of the ARL,
12 and thus an independent violation of the UCL.

13 123. All products received from Defendant in violation of the ARL, Cal. Bus. Prof. Code
14 §§ 17602, *et seq.*, constitute "unconditional gifts." *See* Cal. Bus. Prof. Code § 17603. As a direct
15 and proximate result of Defendant's unlawful and/or unfair practices described herein, Defendant
16 has received, and continues to hold, unlawfully obtained property and money belonging to
17 Plaintiffs and the Class in the form of payments made by Plaintiffs and the Class for their
18 Mindvalley Subscriptions. Defendant has profited from its unlawful and/or unfair acts and
19 practices in the amount of those business expenses and interest accrued thereon.

20 124. Defendant's acts and omissions as alleged herein violate obligations imposed by
21 statute, are substantially injurious to consumers, offend public policy, and are immoral, unethical,
22 oppressive, and unscrupulous as the gravity of the conduct outweighs any alleged benefits
23 attributable to such conduct.

1 125. There were reasonably available alternatives to further Defendant's legitimate
2 business interests, other than the conduct described herein.

3 126. Defendant's acts, omissions, nondisclosures, and misleading statements as alleged
4 herein were and are false, misleading, and/or likely to deceive the consuming public.

5 127. Plaintiffs and the members of the Class have suffered a substantial injury in fact
6 and lost money or property by virtue Defendant's acts of unfair competition, which caused them
7 to purchase the Mindvalley Subscriptions. Had Defendant complied with its disclosure obligations
8 under the ARL, Plaintiffs and members of the Class would not have purchased their Mindvalley
9 Subscriptions or would have cancelled their Mindvalley Subscriptions prior to the renewal of the
10 subscriptions, so as not to incur additional fees. Thus, Plaintiffs and members of the Class were
11 damaged and have suffered economic injuries as a direct and proximate result of Defendant's
12 unlawful and/or unfair business practices.

13 128. Defendant's violations have continuing and adverse effects because Defendant's
14 unlawful conduct is continuing, with no indication that Defendant intends to cease this unlawful
15 course of conduct. The public and the Class are subject to ongoing harm because the unlawful
16 and/or unfair business practices associated with the Mindvalley Subscriptions are still used by
17 Defendant today. Plaintiffs would transact with Defendant again if they could rely on
18 Defendant's statements regarding the terms of its purchase or subscription program.

19 129. Plaintiffs and the Class seek restitution pursuant to Cal. Bus. & Prof. Code § 17203
20 of all amounts that Defendant charged or caused to be charged to Plaintiffs' and the Class's
21 Payment Method in connection with their Mindvalley Subscriptions during the four years
22 preceding the filing of this Complaint. Defendant should be required to disgorge all the profits and
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1 gains it has reaped and restore such profits and gains to Plaintiffs and the Class, from whom they
2 were unlawfully taken.

3 130. Pursuant to Cal. Bus. & Prof. Code § 17203, Plaintiffs and members of the Class
4 seek a court order enjoining Defendant from such future misconduct, and any other such orders
5 that may be necessary to rectify the unlawful business practices of Defendant.

6 131. Ms. Ali and Ms. Perkins brings this action as private attorneys general and to
7 vindicate and enforce an important right affecting the public interest. Plaintiff and the Class are
8 therefore entitled to an award of attorneys' fees under Code of Civil Proc. § 1021.5 for bringing
9 this action.

10
11 **COUNT III**
Conversion
(On behalf of Plaintiffs and Nationwide Subclass)
12

13 132. Plaintiffs re-allege and incorporate by reference every allegation set forth in the
14 preceding paragraphs as though alleged in this Count.

15 133. Plaintiffs bring this claim individually and on behalf of the members of the
16 Nationwide Class (the Class for purposes of this Count) against Defendant.

17 134. As a result of charges made by Defendant to Plaintiffs' and Class members'
18 Payment Methods without authorization and in violation of California law, Defendant has taken
19 money that belongs to Plaintiffs and the Class.

20 135. The amount of money wrongfully taken by Defendant is capable of identification.

21 136. Defendant engaged in this conduct knowingly, willfully, and with oppression,
22 fraud, and/or malice within the meaning of Cal. Civil Code § 3294(c).

23 137. As a result of Defendant's actions, Plaintiffs and the Class have suffered damages.
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COUNT IV
Violations of California’s False Advertising Law (“FAL”),
Cal. Bus. & Prof. Code § 17500, *et seq.*
(On behalf of Plaintiffs and California Subclass)

138. Plaintiffs re-allege and incorporate by reference every allegation set forth in the preceding paragraphs as though alleged in this Count.

139. Plaintiffs bring this claim individually and on behalf of the members of the California Subclass (the Class for purposes of this Count) against Defendant.

140. California’s False Advertising Law, Cal. Bus. & Prof. Code § 17500, *et seq.*, makes it “unlawful for any person to make or disseminate or cause to be made or disseminated before the public in this state, ... in any advertising device ... or in any other manner or means whatever, including over the Internet, any statement, concerning ... personal property or services, professional or otherwise, or performance or disposition thereof, which is untrue or misleading and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading.

141. Defendant committed acts of false advertising, as defined by § 17500, by intentionally making and disseminating statements to consumers in California and the general public concerning Defendant’s products and services, as well as circumstances and facts connected to such products and services, which are untrue and misleading on their face and by omission, and which are known (or which by the exercise of reasonable care should be known) by Defendant to be untrue or misleading. Defendant has also intentionally made or disseminated such untrue or misleading statements and material omissions to consumers in California and to the public as part of a plan or scheme with intent not to sell those services as advertised.

142. Defendant’s statements include but are not limited to representations and omissions made to consumers before and after enrollment in Defendant’s Mindvalley Subscriptions regarding

1 the terms of payment for and cancellation of a consumer's automatic payments. Such
2 representations and omissions on the Checkout Page constitute false and deceptive advertisements.

3 143. Defendant's actions in violation of § 17500, as described herein, were false and
4 misleading such that the general public is and was likely to be deceived. Plaintiffs and the members
5 of the Class were deceived by Defendant's statements and omissions made online when they
6 signed up and started paying for their Mindvalley Subscriptions, and there is a strong probability
7 that other California consumers and members of the public were also or are likely to be deceived
8 as well. Any reasonable consumer would be misled by Defendant's false and misleading
9 statements and material omissions. Plaintiffs and other members of the Class did not learn of
10 Defendant's cancellation and automatic payment policies until after they had already signed up
11 and started paying for Defendant's Mindvalley Subscription. They relied on Defendant's
12 statements and omissions to their detriment.

13 144. Plaintiffs and the Class lost money or property as a result of Defendant's FAL
14 violations because they would not have purchased the Mindvalley Subscriptions on the same terms
15 if the true facts were known about the product and the Mindvalley Subscriptions do not have the
16 characteristics as promised by Defendant. Plaintiffs, individually and on behalf of all similarly
17 situated California consumers, seeks individual, representative, and public injunctive relief and
18 any other necessary orders or judgments that will prevent Defendant from continuing with its false
19 and deceptive advertisements and omissions; restitution that will restore the full amount of their
20 money or property; disgorgement of Defendant's relevant profits and proceeds; and an award of
21 costs and reasonable attorneys' fees.

COUNT V
Unjust Enrichment
(On behalf of Plaintiffs and California Subclass)

145. Plaintiffs re-allege and incorporate by reference every allegation set forth in the preceding paragraphs as though alleged in this Count.

146. Plaintiffs bring this claim individually and on behalf of the members of the California Subclass (the Class for purposes of this Count) against Defendant.

147. Plaintiffs and the Class conferred benefits on Defendant by purchasing the Mindvalley Subscriptions. Defendant knew that Plaintiffs and the Class conferred a benefit in the form of payments which Defendant accepted.

148. Defendant has been unjustly enriched in retaining the revenues derived from Plaintiffs' and the Class's purchases of the Mindvalley Subscriptions. Retention of those moneys under these circumstances is unjust and inequitable because Defendant's failure to disclose material terms of the purchase agreement, in violation of California law, induced Plaintiffs and the Class to purchase the Mindvalley Subscriptions. These omissions caused injuries to Plaintiffs and the Class because they would not have purchased the Mindvalley Subscriptions at all, or on the same terms, if the true facts were known.

149. As a direct and proximate result of Defendant's conduct, Plaintiffs and Class Members have suffered and will continue to suffer other forms of injury and/or harm.

150. As Plaintiffs have no adequate remedy at law, Defendant should be compelled to disgorge into a common fund or constructive trust, for the benefit of Plaintiff and Class Members, proceeds that they unjustly received from them. In the alternative, Defendant should be compelled to refund the amounts that Plaintiff and Class Members overpaid for Defendant's services.

PRAYER

WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

(a) Issue an order certifying the Classes defined above, appointing the Plaintiffs as Class representative, and designating Milberg Coleman Bryson Phillips Grossman PLLC as Class Counsel;

(b) Find that Defendant has committed the violations of law alleged herein;

(c) Determine that Defendant has been unjustly enriched as a result of its wrongful conduct, and enter an appropriate order awarding restitution and monetary damages to the Nationwide Class or, alternatively, the California Subclass;

(e) Enter an order granting all appropriate relief including injunctive relief on behalf of the State Classes under the applicable state laws;

(f) Render an award of compensatory damages, the exact amount of which is to be determined at trial;

(g) Render an award of punitive damages;

(h) Enter judgment including interest, costs, reasonable attorneys' fees, costs, and expenses; and

(i) Grant all such other relief as the Court deems appropriate.

Respectfully submitted December 13, 2022.

**MILBERG COLEMAN BRYSON
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Classes*